Governance Strengthening Project (GSP/Taqadum)

Quarterly Performance Report (Y4Q3)

April 1, 2015 – June 30, 2015

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ACRONYMS

ARDP	Accelerated Reconstruction Development Project
COMSEC	Council of Ministers Secretariat
COR	Council of Representatives
CSD	Citizen Services Desk
CSO	Civil Society Organization
CSS	Citizen Satisfaction Survey
DEC	Development Clearing House
DFA	Department of Financial Affairs
DG	Director General
DMAT	Decentralization Mapping and Analysis Tool
ESDO	Essential Service Delivery Oversight
FAD	Financial Affairs Departments
FMIS	Financial Management Information System
GO	Governor's Office
GOI	Government of Iraq
GSP	Governance Strengthening Project
GSP/Taqadum	Governance Strengthening Project/Taqadum
HCCP	High Commission for Coordination between Provinces
HCAR	High Commission for Administrative Reform
ICI	Intergovernmental Coordination Implementation
IDP	Internally Displaced Person
IDS	Iraq Development and Sustainability
IDIR	Issue Tracking System
IOM	International Organization of Migration
ISIC	Islamic Supreme Council of Iraq
ISIL	The Islamic State of Iraq and the Levant
ITRS	Issue Tracking and Reporting System
KRG	Kurdistan Regional Government
Law 21	Provincial Powers Act (2008) or "Transfer of Functions" Law, calling for decentralization of the government and the transfer of suitable ministerial "functions" to the provincial governments
LOP	Life of Project
LT	Long-term
LTTA	Long-term Technical Assistant
M&E	Monitoring and Evaluation
MMPW	Ministry of Municipality and Public Works
M&O	Monitoring and Oversight
MOCH	Ministry of Construction and Housing
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOLSA	Ministry of Labor and Social Affairs
MOMPW	Ministry of Municipalities and Public Works
MOP	Ministry of Planning
MOSGA	Ministry of State for Governorates' Affairs
MOU	Memorandum Of Understanding

MOSY	Ministry of Sports and Youth
NDP	National Development Plan
NGO	Non-Governmental Organization
OCHA	Office of Coordination of Humanitarian Affairs
OD	Organizational Development
OSTP	Organizational Self-Assessment and Transformation Program
PACS	Project Activity Cost Sharing
PC	Provincial Council
PM	Prime Minister
PMAC	Prime Minister's Advisory Council
PMP	Performance Monitoring Plan or PMP Performance Management Plan
PM&E	Performance Monitoring and Evaluation
PPDC	Provincial Planning and Development Councils
PPL	Provincial Powers Law
PMO	Project Management Office
PRCS	Project Results Cost Sharing
PTCS	Project Transition Cost Sharing
SAB	Supreme Audit Board
SC	Sectoral Subcommittee
SD	Service Delivery
SDI	Service Delivery Improvement
SDIP	Service Delivery Improvement Plan
SDIPIC	Service Delivery Improvement Plan Implementation Committee
SDIPDC	Service Delivery Improvement Plan Development Committee
SDPS	Service Delivery Performance Standards
SDSR	Service Delivery Status Report
SLIT	Sub-legislation Implementation Tracking
SMART	Specific-Measureable-Achievable-Realistic – Time bound
SOPs	Standard Operating Procedures
SOW	Scope of Work
SP	Strategic Plan
SS	Success Story
ST	Short-term
STTA	Short-term Technical Assistance
SWOT	Strengths-Weaknesses-Opportunities-Threats Analysis
TA	Technical Assistance
Taqadum	Arabic for "moving forward"
TF	Provincial Task Force
TOT	Training of Trainers
TSI	Technical Support to Iraq (Program)
USAID	United States Agency for International Development
USG	United States Government
WR	Weekly Report

FOREWORD

I have known *GSP/Taqadum* since its inception in 2012, when I was Deputy Chairman of Baghdad's Provincial Council and have known most of their experts even longer – since 2003 when I worked with the local councils.

During the last three years, I have watched *GSP/Taqadum* provide invaluable advice to Baghdad's local governments, particularly in areas of finance, legislation, institutional development and service improvement. The project has effectively contributed to building the capacity of provincial council members and decision makers in local governments, and increasing the capabilities of Provincial Council and Governor's Offices' staff throughout Iraq. Already, positive effects on staff productivity and performance have greatly developed and enhanced the level of service provision to citizens.

Last June, when the project's focus turned to the implementation of Articles 44 and 45 of Law 21, as amended, its experts developed a work plan to transfer functions from the federal government to the provincial level. Word spread quickly of its success working with three ministries in seven provinces.

Dr. Riyadh Nisar AlAdhadh, Chairman, Baghdad Provincial Council

Iraq still has a long road ahead and many obstacles stand in the way of administrative decentralization. *GSP/Taqadum's* ongoing contributions are still very much needed, especially in analyzing and mapping the functions of the eight ministries covered under Law 21, and expanding the knowledge of provinces on how to become familiar with, and prepare to receive the transferred functions.

Indeed, there is a need for the project's long-term services to ensure local governments are able to develop their plans and render the experience of administrative and financial decentralization successful – all of which will contribute to improving services and engaging citizens in decisions related to their daily life.

At last, I would like to express my thanks and appreciation to Mr. Berkuti and his superb teams in the provinces – particularly staff members working with us in Baghdad. I wish them continuous success in serving the new Iraq.

Dr. Riyadh Nasir AlAdhadh
Chairman, Baghdad Provincial Council

A. Contextual Background / Goals and Objectives

Since its inception in 2011, USAID/Iraq's *GSP/ Taqadum Project* has engaged with provincial leaders to increase accountability and transparency in local governance and improve provincial-level service delivery. *The key element throughout the* project *has been building the capacity of the local government to better provide services to its citizens.* We have made advances in building the capacity of provincial governments to plan and deliver services with the participation of their constituents. Designed to transfer knowledge and strategies through innovative standardized systems and effective methodologies, *GSP/Taqadum* has worked side-by-side with provincial leaders and their staff and developed a unique and wide-ranging set of tools. The transfer of these tools, processes and methodologies to local governments ensures replication and will sustain Iraq's provincial government organizational structure far into the future, thus benefitting citizens for generations to come.

Goals and Main Steps of *GSP/Taqadum's* Decentralization Activities in Phase II *(May 2014 – April 2015)*

Leveraging technical expertise, decades of shared experience and a deep commitment to support Iraq's decentralization process in ways that are best for the country and its citizens, our overall goal has been and remains, to prepare plans whereby Article 45 of Law 21, as amended, is implemented.

Also known as the Provincial Powers Act of 2008, Law 21 was amended for the second time in August 2013. Passage of this second amendment mandates that governance will be decentralized by delineating certain powers to provincial levels of government, enabling them to enact provincial legislation, regulations and procedures; selecting the provincial governor; and transferring appropriate technical, legal and administrative powers or ministerial "functions" of eight ministries to provincial governments of provinces not incorporated into a region. After years of uneven progress toward implementation, these changes are set to take effect on August 5, 2015.

Decentralization is a mean and not an end in itself. Its intent is to regulate the relationship between federal and local governments in order to achieve:
- Political and economic transformation as in countries of Eastern Europe
- Improvement of essential services and reduction in administrative and financial corruption as in Chile and Uganda
- Support of democratic legitimacy and discouragement of autocracy as in Latin America
- Political stability; avoidance of ethnic disputes (ethnic groups' needs in areas including education, health and others shall be considered) and regional conflicts; the building of trust and feelings of safety; and acceptance of state legitimate power as in South Africa, Sri Lanka and Indonesia

However, no matter what was the explicit motivation for decentralization, the implicit motivation in almost all the decentralization has been to improve public service delivery.

GSP/Taqadum's 4 Main Steps toward Decentralization:

1. Forming and training of provincial task forces (provincial executive, legislative, and service delivery leadership) and sectoral committees; health, education, municipality (city center), municipalities, water, sewer, urban planning, and planning and follow up.

2. Identifying and diagnosing the "as is" situations related to the functions, roles, relationships, laws, regulations and instructions within the local directorates and their relationships with the three targeted ministries, the Governors' Offices (GOs) and Provincial Councils (PCs) and determining their main functions.

3. Defining, analyzing and assigning (mapping) current detailed ministerial functions to ministerial and provincial level of governments based on established criteria and capacity of provincial governments to take on the transferred functions.

4. Building consensus between national and provincial governments on the functions mapped and those to be transferred

B. Overview

"Strengthening Iraq's federal system is a key plank of [Iraqi] Prime Minister Abadi's national program, and is a key pillar of the Government of Iraq's strategy to improve governance and stabilize the country. The U.S. Agency for International Development's (USAID's) Service Delivery Project (Taqadum) supports the Government of Iraq's efforts to decentralize responsibilities for service delivery from three central ministries, which serves as a model from which other national ministries can emulate. We are also committed to supporting inclusive governance in Iraq and promoting reconciliation. The State Department is targeting over $17 million in fiscal year 2014 funding for programs which include activities to address human rights and rule of law as well as atrocities prevention and accountability issues – key areas for building reconciliation and contributing to the stabilization of Iraq."

– The White House, Office of the Press Secretary – Fact Sheet: US-Iraq Cooperation, April 15, 2015
https://www.whitehouse.gov/the-press-office/2015/04/14/fact-sheet-us-iraq-cooperation

Per Section F.7A (a) of Contract AID-267-C-11-00006 this Quarterly Performance Report summarizes the activities and accomplishments of the *Governance Strengthening Project (GSP/Taqadum)* for the third quarter of FY2015, from April 1, 2015 to June 30, 2015.

The *GSP/Taqadum Project* easily transitioned from Phase II (developing decentralization plans for seven targeted provinces) to Phase III in Quarter Three (replicating decentralization plans for the remaining eight provinces and implementing them in all 15 provinces), which was divided into three separate yet interrelated parts based on month.

With the possible end of the project looming, April saw *GSP/Taqadum* successfully complete Phase II – Administrative Decentralization (May 2014 – April 2015) amid accolades of many within Iraq's central and local government who called for our work to not only continue, but also to expand in scope. In addition to the development of a "road map" and Intergovernmental Coordination Improvement (ICI) Plan (which was adopted via unprecedented consensus at all levels of Iraq's local government) to implement Article 45 of Law 21 (2008), as amended, Phase II involved, in addition to preparation of decentralization plans, the preparation of plans to develop and deliver essential services to Iraq's citizens such as water, sewage disposal, primary education and primary health care in city centers. To accomplish this, we closely engaged with three out of the eight ministries covered under Law 21: Ministry of Municipalities and Public Works, Ministry of Health and Ministry of Education; and also the seven targeted provinces of Baghdad, Kirkuk, Diyala, Babil, Najaf, Diwaniya and Wasit.

Results of Phase II
1. Development of eight functional transfer maps and analyses (Ministry of Municipality and Public Works: water, sewer, municipality, municipalities, urban planning, planning and follow-up; and the Ministries of Education and Health) incorporated within the ICI plan of the seven provinces to assist the gradual transfer of functions.
2. Preparation of 37 plans for improvement of delivery of essential services to citizens including municipal services, water, sewage disposal, primary health care, and primary education.
3. Identification of 35 pieces of legislation blocking decentralization and the transfer of functions

4. Development of a proposed organizational structure for the Governor's Offices (GOs)
5. Development of the provincial financial structure, roles, and responsibilities to support local government functions.
6. Development of a proposed organizational structure and role of provincial financial department
7. Exposing national and provincial leadership to the decentralization experience of Indonesia. The study tour of 20 national government, ministerial, and provincial leadership to Indonesia and learning from its "Big Bang" decentralization approach and experience changed some of the central government mind set and gave confidence to the provincial governments that they have prepared for the transition.

Transition *(May 2015)*
Meeting all Phase II deliverables by the end of April, in May, *GSP/Taqadum* entered a one month-long extension-driven transitional period that heralded the beginning of Phase III (May 2015 – September 2016).

Phase III: Replication – Building on a Solid Foundation *(June and looking forward)*
Building on a solid foundation of successes and positive feedback dating back to our November 2011 inception, and a growing momentum as more and more ministries and provinces requested that *GSP/Taqadum* replicate its decentralization activities into their regions, we rolled up our sleeves and began expanding the decentralization mandate to other provinces beginning in March and throughout April. Adding eight more provinces to our initial roster of seven (each of which had previously been guided through the project's Decentralization and Mapping Analysis Tool (DMAT) process that identified, analyzed and determined transferable ministerial functions) the newly added provinces were paired with the original seven. This pairing – just one aspect of the project's comprehensive and unified ICI Plan aimed at replicating the project's results in these added provinces – fosters cross-province exchanges of ideas, knowledge, tools, methods, practices and suggestions.

As the nuts and bolts of decentralization are put into place, seven provincial task forces have merged their ICI Plans and decentralization timetables into one plan that has been discussed with the Ministry of State for Governorate Affairs (MOSGA) and relevant government ministries. Ultimately, this consolidated plan will be presented to the High Commission for Coordination between Provinces (HCCP) for approval and adoption by the remaining newly added provinces as they accelerate their own decentralization efforts with our assistance. At the end of May, we finalized the ICI and SDI plans in the seven originally targeted provinces.

By June, *GSP/Taqadum* had shifted seamlessly from Phase II into Phase III and began work on the following goals:

- Reach a consensus among the eight added provinces on the previously developed ICI Plan already agreed to by the originally targeted seven provinces
- Implement the ICI plan to facilitate the actual transfer of functions from ministerial to provincial governments
- Enhance provincial budgeting, financial management and internal control systems
- Develop/implement a systemized provincial process for service delivery improvement
- Draft new and amend existing legislation to harmonize decentralization laws and regulations
- Process map and streamline citizen-related functions/services ; and then follow-up with advertising to inform citizens as to the steps they need to follow in order to get the services they need
- Build the capacity of local government staff on local revenue generation and collection
- Build the capacity of local government in performing devolved functions
- Organize provincial government structure, roles, responsibilities, and accountability

C. Summary of Key Achievements

The Council of Representatives' late March first reading of two laws identified by *GSP/Taqadum* as inconsistent with decentralization principles bolstered efforts to increase gubernatorial authority over provincial civil servants and removed several provisions in conflict with decentralization. It also set the stage for an increased push to increase the transfer of functions from ministries to provincial-level government. A series of back-to-back, sometimes daily meetings occurred throughout the month of April and continued into May, with representatives from concerned ministries and provinces attending. *GSP/Taqadum* was invited to attend all.

An April 12 meeting in Baghdad, sponsored by the Ministry of State for Governorate Affairs (MOSGA), brought together representatives from the eight ministries covered under Article 45 of Law 21 to review and discuss making further amendments to it. Special Advisor to the President of Iraq for Provincial Affairs, Dr. Torham Al-Mufti stated, "It is generally recognized that a major impediment to administrative decentralization is a persistent conflict between old and new laws that actually work to block decentralization."

Thanking *GSP/Taqadum* for assisting provinces in developing devolution plans, MOSGA Minister, Mr. Ahmed Al-Jubouri said, "Conflicting legislation does not mean preparation to transfer functions should be stopped or delayed."

At the same meeting, Deputy Minister for the Ministry of Municipalities and Public Works (MMPW), Mr. Yalmaz Shahbaz Abbas, indicated that the MMPW and provinces have reached a common understanding about the analysis of functions, "thanks to the valuable support of *GSP/Taqadum*." Indeed, MMPW was the first Ministry to transfer several authorities to provinces. GSP/Taqadum still is working with both sides to reach consensus on several items.

(left to right) **USAID COR, Mr. Abdul Kareem Kasim** and *GSP/Taqadum* **COP, Mr. Cameron Berkuti meeting with Special Advisor to the President of Iraq, Dr. Torham Al-Mufti.**
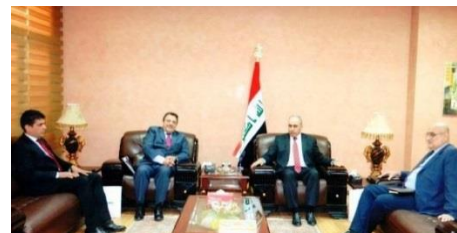
On April 15, during a meeting between Dr. Torham Al-Mufti and *GSP/Taqadum* Chief of Party (COP), Mr. Cameron Berkuti, Dr. Al-Mufti agreed with Mr. Berkuti on the lack of attention paid to the need to develop an accountability framework and expressed willingness to cooperate with the project's efforts to support the creation of such a framework.

On April 19, *GSP/Taqadum* and USAID representatives attended a meeting of concerned representatives from concerned ministries and provinces to further discuss amendment provisions to Law, 21. MOSGA Minister Mr. Al-Jibouri, stated, "Efforts made by ministries, MOSGA and provinces, in cooperation with *GSP/Taqadum*, to analyze the transferrable functions should be enhanced to prepare an effective plan for the implementation of Article 45 of Law 21." *GSP/Taqadum* COP, Mr. Berkuti, added, "The Third Amendment should establish mechanisms for accountability and monitoring to enable local governments to meet the needs of citizens."

On April 20, *GSP/Taqadum* senor project advisors met with Minister of Planning, Dr. Salman Al-Jumali and briefed him on our decentralization approach and activities of the project's previous two phases. The Ministry of Planning has been assigned to developed new organizational structure for the GOI and GSP/Taqadum has provided the ministry with the detailed report on the proposed structure as agreed by the most of the provinces.

GSP/Taqadum **meeting with the Minister of Planning**

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These meetings, along with a series of others we conducted with a variety of federal government officials, aimed at setting up committees to identify mechanisms to facilitate the transfer of functions and resulted in broad agreement to form a committee consisting of representatives from the ministries, local government, MOSGA and *GSP/Taqadum*. The purpose of the committee is to reach agreement on whether or not specific functions should be transferred.

GSP/Taqadum **management and senior staff and USAID COR, Mr. Abdul Kareem Kasim, were invited to the MOSGA-sponsored meeting to discuss amendments proposed by concerned ministries.**

In late April, in response to amendments to Law 21 proposed by concerned ministries, provincial representatives petitioned the Minister of State for Governorates Affairs (MOSGA). Rejecting all the amendments proposed by the ministries, the petition stated they were undermining the foundations and principles of administrative decentralization. Signed by 11 provincial representatives, the petition requested that meetings be held with the ministries to discuss the analysis and study developed collectively by the provinces and sent to the Prime Minister on April 19.

Riding on the heels of meetings of provincial finance officials held earlier in April where, with the assistance of *GSP/Taqadum,* attempts were made to reach consensus on financial functions to be transferred and related organizational issues, by early May provinces began clamoring for revision of Ministry of Finance (MOF) procedures. On May 3, a meeting was hosted by MOSGA Minister, Dr. Ahmed Al-Jubouri, for representatives of COMSEC, the Ministries of Agriculture, Housing and Construction, Municipalities, MOF and Health, all governorates (except Diyala and Kirkuk) and GSP/Taqadum staff. The meeting concluded with the formation of a committee consisting of the Governors of Dhi Qar, Babil, Karbala, Anbar and the eight concerned ministries to review the proposed provincial financial system.

At a two-day meeting held May 18-19 between the Ministry of Education (MOE) and representatives of Baghdad and Babil, participants discussed 36 functions and came to agreement on which can be immediately transferred to the provincial level, which can be shared between provinces and the MOE, and those that should remain at the ministerial level.

On May 18, *GSP/Taqadum,* at the request of the Ministry of Construction and Housing (MOCH), conducted a "roadmap" orientation session attended by the Minister and officials of MOCH and representatives of MOCH's provincial directorates. All were highly encouraged by the results achieved by provinces and ministries engaged with the project to date.

The quarter culminated with meetings on June 24-25, held at the request of MOSGA. Participants included *GSP/Taqadum* senior staff and MOSGA advisors who met to review and discuss content of the third amendment law proposed and drafted by ministries, MOSGA, and the project. Most of the proposed

amendments *GSP/Taqadum* presented to support decentralization efforts, including the selection of Governors, an accountability framework, harmonizing laws and financial resolutions to decentralization issues, were not only well received but were also included in the final draft.

D. FUNCTIONS AND SERVICES

SERVICE DELIVERY IMPROVEMENTS

As previously noted in the Year 4 Quarter 2 report, in preparation for the approaching August 5 deadline for the transfer of ministerial functions to the provincial level, from December 15 to March 5 *GSP/Taqadum* assisted in the development of 37 SDIPs in the seven targeted provinces that provide high-impact, low cost, short- and long-term solutions to improve the delivery of water, municipality, sewer, primary health and primary education services. Encouraged by the comprehensiveness, relevance, applicability and accuracy of the information provided by the SDIPs, governors and other key provincial officials in targeted provinces soon realized the importance and benefits of implementing these plans.

By the end of April, following the lead of Baghdad Governor, Mr. Ali Al-Timini, who issued official letters approving the establishment of SDIP implementation committees in the Directorates of Health, Municipality, and Education, the Governors of Kirkuk, Babil, Wasit, Najaf, Diyala and Diwaniya followed suit and set in motion the establishment of SDIP implementation committees. *GSP/Taqadum* discussions with the Director of Baghdad's Al-Rusafa Health Directorate, Dr. Israa Muhee, resulted in the Ministry of Health's (MOH) acceptance of 26 short-term and 11 long-term solutions detailed in the project's Health Service Delivery Improvement Plan (SDIP).

GSP/Taqadum developed a tracking tool to help officials in targeted directorates implement the short-term solutions described in their SDIPs. It was first introduced in Babil, to Deputy Governor and SDIP Committee head, Mr. Wisam Aslan, and Provincial Council (PC) and Governor's Offices (GOs) representatives. "This is a wonderful tool to track the solutions identified in the SDIP action plans," said Mr. Aslan.

That same week, Babil, Wasit, Najaf and Diyala all issued letters approving the establishment of SDIP Implementation Committees to include targeted GO, PC and directorate heads tasked with developing six-month short-term implementation action plans. While the tracking tool is used to show the status of short-term solutions implementation, the action plans identify roles and responsibilities and set timelines for the implementation of these solutions. By May's end, SDIP Implementation Committees had been established in most of the targeted provinces and *GSP/Taqadum* began providing technical assistance to them on how to use the tracking tool to develop action plans and implement short-term solutions. Deadlines were set for the completion of the tracking tool, the action plans and expected implementation of each short-term solution.

Early May saw the implementation of short-term solutions in Babil, Najaf and Wasit, thanks to the collaborative efforts of *GSP/Taqadum* staff and the provincial governments. By the end of May, all targeted provinces were receiving technical assistance from the project to complete their tracking tools, develop their action plans, and implement SDIP short-term solutions. On May 29, MMPW issued a decision to increase charges on water, sewer and trash pick-up services nationally, thus addressing a short-term solution identified by most provinces.

On June 1, MMPW Minister, Mr. Abdul Karim Younis Al-Ansary, formally adopted *GSP/Taqadum's* SDI plans by sending a letter requesting the Directorates of Water, Sewer and Municipalities to instruct their respective directorates (in Baghdad, Babil, Diwaniya, Diyala, Kirkuk, Najaf and Wasit) to implement the SDI plans developed with the project's assistance. The letter also indicated that provincial directorates should coordinate with *GSP/Taqadum* to replicate and implement the SDI plans in the other eight provinces. *(See Success Story below)*
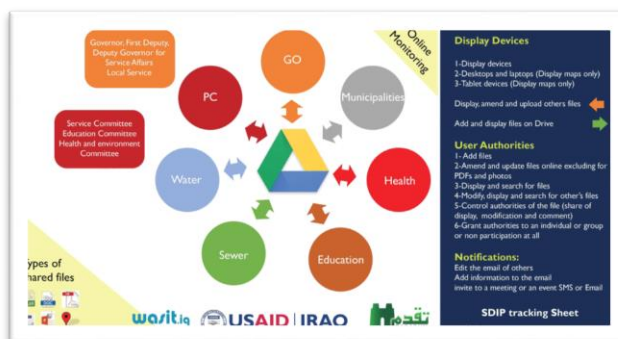
The implementation of short-term solutions continued throughout May and June, as did support for the project's approach to providing and improving provincial service delivery. In late June, as part of introducing our SDIP approach in the five (southern) newly targeted provinces, *GSP/Taqadum* staff met with members of Maysan's Water, Health, Education, and Municipality Directorates SDIP Development Committees and provided technical assistance. Standards and indicators, how to calculate indicators and how to identify service gaps were among some of the topics covered.

SDIP SUCCESS STORIES

Google App Innovation Allows Online Tracking of Community Service Delivery Projects

GSP/Taqadum saw one particular success of our SDIP work in Wasit, where our Service Delivery Specialist initiated an improvement to a Google App software already in use by the local government for simple email communications. With its added capability allowing local governments to track the status of delayed projects and verify implementation of the short- and long-term solutions online, this innovation received immediate support from the Governor and PC.

The actual page from Wasit's website (translated)

Replacing the paper-based bi-monthly reports traditionally used by the directorates in their communication with the GO and PC, this software promises to provide better and faster monitoring and oversight of projects and SDIP implementation, thus rendering local governments more responsive to citizens' needs.

Ministry of Municipalities and Public Works (MMPW) First to Sign On to GSP/Taqadum Decentralization Approach

As the August 5 deadline for administrative decentralization approached, the eight ministries targeted to transfer functions as per Article 45 of Law 21, as amended, were reluctant to officially sign on to begin the actual process of transferring certain designated "ministerial" functions to provincial levels of government.

Thanks to *GSP/Taqadum's* hands-on approach involving face-to-face meetings with provincial government officials, a change of thinking occurred within the Ministry of Municipalities and Public Works. On June 1, Minister, Mr. Abdul Karim Younis Al-Ansary sent an official letter to the MMPW Directorates of Water, Sewer and Municipalities announcing the ministries' "adoption of *GSP/Taqadum's* SDIP methodology." It requested that their respective directorates in the seven targeted provinces – Babil, Baghdad, Diwaniya, Diyala, Kirkuk, Najaf and Wasit – attend meetings to discuss and determine the level of support required regarding the proposed solutions jointly developed with *GSP/Taqadum* and report back results to the ministry by July 15, 2015. The letter also stated, "continuous coordination should be made with representatives of GSP/Taqadum" to determine the level of support needed from the directorates in order to replicate and implement SDIPs in the eight newly-added provinces – Anbar, Basra, Dhi Qar, Karbala, Maysan, Muthanna, Ninewa and Salah Ah Din.

The MMPW is by far Iraq's largest ministry, with each of its directorates seemingly large enough to be considered ministries in and of themselves. It is therefore responsible for delivering the largest amount of citizen services of all ministries. Minister Al-Ansary's mandate made MMPW the first ministry to fully come onboard with administrative decentralization despite disagreement on several items between the ministry and provinces. The Ministries of Education and Health were soon to follow suit.

Kirkuk government providing water to IDPs via water tank

Short-term Solutions Assist Emergency IDP Needs

Although addressing the needs of Internally Displaced Persons (IDPs) is not one of *GSP/Taqadum*'s targets, we moved quickly this quarter to intervene when a link was discovered between IDP needs and our service delivery improvement efforts. Developing short-term solutions via our SDIP we were able to meet the immediate and emergency water and education needs of the IDP population in Kirkuk and Diyala, respectively.

With more than 600,000 IDPs scattered throughout more than 16 neighborhoods in Kirkuk, including Qadissiya 1 and 2, Penja Ali, Barood-khana, Al-Askary, Al-Wasity, Huzairan 1, Tabba, Raheem Awa, Shore Awa, Al-Failaq, Sona Guli, Al-Khanadiq, Arafa, Kirkuk Airport, Yarooli and The Citadel, the provision of water has been an issue. Identifying the use of mobile water tanks as a short-term solution, *GSP/Taqadum* identified provision of water by using mobile water tanks as one of short-term solutions. Kirkuk Water Directorate started implementation of this solution providing water to these neighborhoods twice a day.

The Diyala Education Directorate has succeeded in responding to the needs of IDPs through the provision of caravans as annexes to the existing schools. This resulted in increasing the capacity of those schools to receive extra IDP students rather than adding more shifts, requiring the addition of extra teaching cadre. This was done in coordination with UNICEF in providing six schools with 30 caravans. Additionally, GSP/ Taqadum coordinated with Diyala Education Directorate to initiate a the brand new Baquba Al Aula School, which consists of caravan classes and is solely dedicated to accommodate IDPs as a prompt solution to meet their immediate needs.

Mr. Fawzi Hamoudi Ibraheem, Diyala's Educational Planning Director, supervises distribution of educational materials to students outside the newly erected Baquba Al Aula School for IDPs.

In addition, GSP/ Taqadum has modified the indicator of number of eligible students who should join schools (related to education system effectiveness standards) by tracking the IDPs ages to be more responsive to the actual needs. This will help the local government cover IDPs children who need to join schools during the upcoming year.

PROCESS MAPPING AND STREAMLINING

After the transfer of ministerial function, provincial governments will be shouldered with new responsibilities. Consequently, tools and methods must be in place to make processes more transparent and streamlined in order for the citizen to reap the best possible benefits of decentralization. One of these effective tools is process mapping, a technique used to help organizations and individuals understand their specific roles and the value added by each step of the process of performing an activity or task.

By mid-May, we began to introduce the process mapping technique to Governors' Offices and targeted directorates, explaining the concept and its benefits to Human Resources and other administrative departments in Baghdad, Babil, Najaf, Diwaniya, Kirkuk and Wasit. Participants showed a high level of interest and committed to provide the required information about their functions in order to process map them. In Basra, the Governor gave the project team a warm welcome and then admonished them saying, "We have been waiting for you for two months and we really need you to start right now." A Task Force was soon established, headed by the Governor, and a SDIP Implementation Committee in the five targeted directorates of Health, Education, Water and Municipality and Sewer with office space provided to *GSP/Taqadum* to support its work.

By June, committees had been formed in Baghdad, Babil, Najaf, Diwaniya, Kirkuk and Wasit to collect information on functions to be process mapped and streamlined. We look forward to continuing this preparatory process mapping work with 22 of our Organizational Development staff and nine provincial officials at a workshop scheduled for July1-9.

FINANCIAL TEMPLATE

GSP/Taqadum's provincial financial framework consists of the following main elements: 1) a local financial management module; 2) local investment budget processes; and 3) a local revenue generation system. The purpose of this locally focused module is to facilitate proper funding of the function devolution to the provincial process – ultimately to ensure the smooth transaction of funds from the Ministry of Finance (MOF) to the provinces to maintain service delivery to Iraq's citizens. Good budgets depend on integrated and strategic planning, and appropriate management and investment of available provincial resources.

Local governments require sufficient funds to perform their functions and responsibilities. In Iraq, poor revenue generation and lack of strategies to improve an over-dependence on federal funding stems from a lack of empowering federal and provincial revenue generation legislation. A roadmap must be developed to enable provinces to develop their own local revenue generation system that includes fiscal policy, conducting economic-based studies, identifying and listing potential revenues, and setting up a system of collection.

In cooperation with targeted provinces last quarter, *GSP/Taqadum* developed a working paper on local financial management for provincial governments that addressed a proposed organizational structure and responsibilities of a provincial Financial Affairs Department (FAD) in each of the 12 targeted provinces; financing procedures between such a department and provincial directorates; provincial budgeting preparation; and auditing and internal controls. Kicking off this quarter, we hosted a series of meetings with provincial officials and representatives from the ministries of Health and Education, MMPW, MOSGA and COMSEC. Our aim was to demonstrate to attendees the significance attached to creating the FAD, i.e., to strengthen local government capacity in order to provide better services to citizens and achieve financial autonomy. The result of these meetings was an overwhelming positive response by the seven originally targeted provinces (Babil, Diyala, Diwaniya, Baghdad, Najaf, Wasit, and Kirkuk. (This approval set the pace for activities currently being addressed in Quarter 4, where MOF approval of the local financial management model is pending. Progress on the MOF approval process will be provided in the next quarterly report.)

Throughout April, project staff set about explaining revenue generation, the difference between taxes and fines, and the establishment of a provincial revenue generation system to the Assistant Governors of Financial Affairs; GO Accounting and Internal Audit section managers; the Chair of the PC Trade, Industry and Finance Committee; Chairs of PC Finance, Economic and Strategic Planning Committees, PC members and other GO and finance officials in Babil, Diyala, Diwaniya, Baghdad, Najaf, Wasit, and Kirkuk.

Realizing the importance of local revenue generation, and encouraged by *GSP/Taqadum's* consistent technical assistance, in early May, Baghdad's PC became the first to approve the establishment of a Section for Local Revenue Collection linked to the GO, with the PC outlining spending policy. *Project* financial specialists then began to provide local fiscal policy development trainings to members of this section.

Riding this wave of acceptance of our financial approach within provincial directorates, GOs and local government entities, project staff began to review roles, responsibilities, and job descriptions of key staff of the proposed FADs with heads of treasury departments in Najaf, Diyala, Kirkuk and Wasit's Governor Financial Advisor – all who found the information valuable.

One important aspect of *GSP/Taqadum's* financial approach, which needs to be highlighted, is the *C4.1 Developing Revenue Generation System.* It saw local governments collect economic information via a Private Sector Form in preparation for the collection of revenues from the private sector looking into what economic activities occur in the provincial sectors. Project financial staff then provided *GSP/Taqadum's* tailor-made Gap Analysis form to the GOs and asked the agriculture, trade and industry sectors to complete it. This was done to assess what current revenues were already being collected from these sectors by the directorates in order to avoid duplicate collection. With these revenues identified, their collection can now move from the ministry to the directorates. A second form was distributed by the GO to local directorates to determine what type of revenues was being collected by local them according Federal law.

LEGAL ANALYSIS

The key element in our work with the legal sector is to support efforts to create an enabling legal environment that moves the administrative decentralization process forward in a legitimate and sustainable way. Ever vigilant to the potential stumbling blocks that can and have appeared as the August 5th deadline for implementation of Law 21 looms, *GSP/Taqadum* continues to facilitate a problem-solving discussion of relevant legal issues at all levels of government. Regularly accepting invitations from, as well as reaching out to, provincial leaders and their counterparts in Iraq's ministries, we have been asked again and again – even by entities beyond those targeted in our scope of work – to present our decentralization approach. Our goal has been, and remains, to align the interests and efforts of the central and provincial governments.

GSP/Taqadum focused this quarter on working with Provincial Council (PC) legal committees to present the concept of forming a legal unit within each PC in targeted provinces to research analyze and draft laws and regulations, and track the implementation of legislation. An early April success saw Babil review, examine and propose amendments to federal legislations and regulations in conflict with administrative decentralization, key PC officials and legal committees in Baghdad, Diyala, Diwaniya and Kirkuk. This set in motion action allowing each to establish their own legal units, which were approved by mid-April.

With these official Legal Working Groups (LWGs) in place, our next step was to begin providing technical assistance to each. In late April and early May project legal staff set about explaining some provisions cited in the Constitution and Law 21, as amended (Baghdad and Diwaniya); the principle of the separation of powers (Baghdad and Diwaniya); the concept of administrative decentralization (Kirkuk, Wasit, Najaf and

Babil); the relationship between the PC and the Council of Representatives (COR); and the main responsibilities of the Governor, PC and GO (Wasit, Babil and Kirkuk). In Najaf, we also assisted the LGW to identify laws conflicting with decentralization.

By mid-May, the LWGs in Najaf, Diwaniya, Baghdad, Wasit, Kirkuk and Diyala were ready to receive GSP/Taqadum trainings on how to identify and prioritize legal challenges for the implementation of Articles 45. These trainings resulted in participants agreeing to prepare a list of laws and regulations inconsistent with decentralization, which were discussed with project legal staff at follow up meetings. In Kirkuk, GSP/Taqadum assisted LWG members with mapping ministerial functions and identifying the legal source of functions (laws, regulations, order, etc.).

By June, project legal staff had assisted targeted provinces (Baghdad, Wasit, Kirkuk and Diwaniya) to develop studies and hold workshops where participants analyzed Civil Service Law No 24 of 1960, as amended, and came to understand its level of consistency with administrative decentralization. Participants discussed whether the recommendations made at GSP/Taqadum's Legal Workshop have been considered by the COR

during the deliberations that were going on at that time. (All concluded, that yes, the COR had taken the recommendations into consideration.) On June 3, 19 members of Baghdad's PC; PC Chair, Dr. Riyadh Al-Adhadh and legal officials of targeted directorates came together to discuss the draft Civil Law in detail. They concluded that it is consistent with decentralization and once issued, will facilitate the implementation of Law 21, as amended.

Through June, *GSP/Taqadum* LWGs continued their examination of the new draft Civil Service Law, which was under discussion in the COR. The provinces of Baghdad, Babil, Najaf, Wasit, Kirkuk and Diyala sent official letters of appreciation citing COR's role in supporting and enacting legislation in favor of decentralization and its taking into consideration recommendations made by provincial governments in cooperation with *GSP/Taqadum*.

As LWGs became more informed and knowledgeable regarding their role in the decentralization process, they began to flex their muscles and take action. Baghdad's PC sent an official letter to the COR requesting a meeting with heads of its committees to discuss conflicting legislation. On June 22, and then again on June 28, *GSP*/Taqadum facilitated meetings between Kirkuk's PC and members of the COR from Kirkuk. Participants discussed the 35 conflicting ministerial and federal laws legislation identified, in cooperation with *project* legal staff, as inconsistent with administrative decentralization. Additionally, the COR's role in revising and/or cancelling these laws was discussed. It was agreed that many of the laws need revision and the COR recommended that the PC exercise its legislative role and issue local laws supportive of Law 21, as amended. Participants also stressed the importance of aligning future legislation with decentralization and agreed to implement a communication mechanism between local government and the COR. A future meeting to continue discussions was set (tentatively) for July 6.

The quarter ended with Muthanna's PC issuing an official letter to establish the *GSP/Taqadum*-recommended LGW, thus seeing the *GSP/Taqadum's* legal work spread into the newly added Southern provinces.

E. LOOKING FORWARD

> *"We have been waiting for you for two months and we really need you to start right now."*
> *Basra Governor, Majid Al-Nasray*

There is no doubt, interest in *GSP/Taqadum's* decentralization approach is growing across Iraq. The ongoing commitment on the part of the United States and USAID-Iraq, reflected in *GSP/Taqadum's* recent 16-month extension, was greeted with relief by provincial levels of government. Indeed, many agree there is much to do before administrative decentralization becomes a working reality, and the process to get there is only in an infancy stage, with each next step created as the current step demands. This is new territory for all, including *GSP/Taqadum*, which adapts and then generates appropriate methodologies and actions accordingly.

Throughout the quarter, as more and more ministries and provinces requested replication of *GSP/Taqadum's* decentralization work, the positive role we are playing at the federal and provincial levels remained evident. At a meeting in late April with Maysan's Acting Governor, Provincial Council (PC) Chair and PC members, and Governor Advisors, *GSP/Taqadum's* team was given a warm welcome. Participants expressed their commitment to work with the project and agreed to establish a Task Force, five sectoral committees, and a SDIP Implementation Committee.

Muthanna was next to commit, with the Governor dissolving a previous committee tasked with the transfer of functions and instead established a task force headed by him. Similarly in Karbala, after meeting with our team, the Governor directed that the task force already in place be reorganized and Sectoral Subcommittees be formed.

May began with Dhi Qar expressing readiness to replicate the ICI and SDI Plans, and project staff briefed

GO and PC key officials on our DMAT methodology, SDI plans, and the list of laws in conflict with decentralization. Kirkuk, Maysan, Karbala and Anbar soon followed suit with the establishment of task forces.

Specifically, GSP/Taqadum's work moving forward involves collaborating with our counterparts to build a foundational understanding of the concept of decentralization and supply a host of innovative tools to identify many of the local-central government "as is" situational aspects. We provide "hands-on" training that explains in great detail the ramifications and results of administrative decentralization, and create tools along the way to meet needs as they arise. We see this as a replicable and sustainable roadmap that supports the process to advance in an ongoing "from here to there" continuum.

In Phase III, and more immediately this next quarter, the work continues. Scheduled throughout July and August, (to date), we are hosting dozens of meetings and active participation technical assistance activities with directors and staff of numerous directorates, Sectoral Subcommittees, Service Delivery Implementation Committees (SDIPs), SDIP Technical Committees, legal teams, HR managers, Governor's financial and legal Advisors, and PCs and GOs.

In addition, the following "practical experience" workshops are scheduled:

- Hilla Hub Office, July 22, target: Babil > preparation of proposed amendments to conflicting laws and identify the legal needs to implement article 45 of law 21 as amended
- Erbil, July 24-25, target: All provinces > a training course to provincial officials on revenues generation systems and local revenues management
- Basra: July 29-30, target: Dhi Qar and Basra > Training SDIPDCs on SDIP methodology, approach and Gap Analysis
- Erbil, Aug 2-3, target Anbar and Salah Ah Din > a workshop on development of Decentralization Mapping and Analysis
- Karbala, Aug 10, target: Karbala, Babil, Wasit and Najaf > Share proposed amendments, build
- Consensus among all provinces including PCs, GOs and targeted directorates. The focus will be on unifying and adopting the amendments and recommendations by provinces in preparation for submission to the COR and COM and in order to create an enabling legal environment to facilitate the implementation of Article 45 of Law 21 of 2008 as amended
- Basra, Aug 17, target: Basra, Dhi Qar, Muthanna, Maysan and Diwaniya > Same as above
- Erbil, Aug 23, target: Kirkuk, Ninawa and Salah Ah Din > Same as above
- Baghdad, Aug 27, target: Baghdad, Diyala and Anbar > Same as above
- Erbil, Aug 25-27, target: Babil, Baghdad, Basra, Dhi Qar, Diwaniya, Diyala, Karbala, Kirkuk, Maysan, Muthanna, Najaf and Wasit > Hold a workshop on use of process mapping to clarify and identify activities involved in transfer of functions according to Article 45 of Law 21 as amended

One last item deserves mention. That is, how the related extension-driven expansion and acceleration of our activity has given staff a well-deserved morale boost and fortified their spirits – especially important at this time when ISIL forces and threats of extreme violence remain within their country's borders. The *GSP/Taqadum* team understands, better than most, the effect their work today will have in the future. They understand how decentralization will provide structure and processes and build the capacity of the local government *to better provide services to Iraq's citizens* – the key element driving the work of our *project.*

F. GSP/TAQADUM IN THE MEDIA

The project garnered a healthy amount of attention in the media this quarter as news of our collaborative approach and technical assistance bolstering the decentralization process spread mainly through word of mouth. Our popular, hands-on work within targeted ministries and provinces has proven to be a natural and popular calling card. The following are brief summaries of the articles that appeared in the media this quarter.

Shafaq News, May 12: Diyala's Provincial Council (PC) announced that a comprehensive Service Delivery Improvement (SDI) plan would be implemented in all cities in coordination with local councils and administrative units and *with technical support from USAID-GSP/Taqadum*. According to Diyala PC member and secretary, Mr. Khudar Muslim, the SDI plan is based on a sound scientific approach to address chronic problems in service sectors and will include the Education, Health, Municipality, Water, and Sewer sectors. Diyala is suffering a setback in services due to deterioration of security situation, delay in implementation of projects, and corruption.
http://www.ara.shafaaq.com/993

Iraqia Satellite Channel, May 15: According to the Governor of Muthanna, Mr. Ibrahim Al-Maylai, ministries are still reluctant to cooperate with the provinces despite the central government's withdrawing its challenge to Law 21, as amended. In his last meeting with the Prime Minister, he presented a working paper prepared in full cooperation with *GSP/Taqadum*, indicative of the professional approach used to map and analyze ministerial functions. He concluded that most of the devolved ministries are demanding the function transfer deadline be extended for two years on the pretext that provinces are still not ready to assume these functions.

Governor of Muthanna, Mr. Ibrahim Al-Maylai

Independent Press Agency, May 18: The Ministry of Construction and Housing (MOCH) held an orientation session in which the *GSP/Taqadum's decentralization approach* was presented to Ministry staff and its provincial directorates. Minister of MOCH, Mr. Tariq Al-Khikani, said that *GSP/Taqadum* had developed a roadmap and plans to help provinces in the transfer of competences and functions in accordance with Article 45, of Law 21, which includes the transfer of functions from eight ministries to provincial level. *http://www.imariskan.gov.iq/ar/node/3045*

Al-Ghad Satellite Channel, May 31st: When interviewed at a *GSP/Taqadum* workshop, Ninawa's Governor Advisor for Financial Affairs Ms. Iman Al- Nu'eimi, stated that the transfer of financial functions from the federal to provincial level would significantly reduce corruption and dominance of the central government. Another participant expressed t*he importance of the* project's *workshop* in promoting the principle of decentralization and stressed that the ultimate beneficiary of implementing Law 21 will be the citizen.

Ninawa's Governor Advisor for Financial Affairs, Ms. Iman Al-Nu'emi

Sumeria News, June 24: Basra's local government announced the signing of an implementing letter of agreement with GSP/Taqadum, which will provide training to improve the performance of provincial public employees in preparation for the transfer of functions to the provincial level. Governor of Basra, Mr. Majid Al-Nasrawi, indicated that Basra's local government has allocated office space to *GSP/Taqadum's* team where they will implement the training programs citied in the agreement.
http://www.faceiraq.com/inews.php?id

Al-Nasiriya News Network, June 28: Assistant Governor of **Dhi Qar**, Mr. Fahed Al-Shirshab, announced the provision of an office in Nasiriya City for **GSP/Taqadum** to allow it to work closely with local officials to identify transferable functions, facilitate the transfer of ministerial functions to provinces, and provide training and consultation to provincial officials and staff on the transfer of functions. *http://www.nasiriyah.org/ara/post/62560*

Assistant Governor of Dhi Qar, Mr. Fahed Al-Shirshab

G. SECURITY REVIEW April - June 2015

The geographical and operational picture of Iraq has changed little in the last three months, with only small shifts in the dynamics of high-level incident areas. This is due to the operational tempo of both Iraqi Security Forces (ISF) and the Islamic State of Iraq and the Levant (ISIL) terrorist group that have continually strengthened and reaffirmed their respective positions. For the Iraqi government, the security forces and indeed, the people trapped by the terrorist organization, it has been a drawn out series of disappointments and delays one way or another. The collapse in May, after ten months of military operations, of Ramadi not only further hampered the government's mission to liberate the ISIL-held provinces, but also failed to give the people of Iraq a much needed morale boost.

Over the last three months, news reports of successes and defeats have been reported in equal measure, as both sides jostled and sought to tighten their grip on their positions while simultaneously harassing each other.

After months of bitter fighting, all eyes now turn toward both Anbar and Salah Ad Din Provinces, in what is seen as renewed security operations. The delays in ISF operations followed by on-going bitter fighting, has meant restrictions for certain dynamics of the project in at least three of the Provinces: Anbar, Salah Ad Din and Ninewa. These provinces are still firmly held by the terrorist group, which has made travel nonexistent for project staff. External of these areas, the security situation has remained consistently high threat, leaving expatriate staff to travel in armored vehicles and under the watchful eyes of International Security Escort Teams. High security levels have meant that travel for expatriate staff has been restricted to Baghdad and Erbil only.

GSP/Taqadum staff in Provincial Council (PC) Embedded Offices have been on the periphery of some activity largely in the southern regions. There have been two occasions when local civil unrest turned into outright demonstrations resulting in volatile protests outside provincial buildings. Aggrieved for social and economic reasons, the demonstrators turned their attentions towards PC offices, which also house project local staff, for answers. The quick response of local security forces prevented an escalation of the situation and kept people from harm's way.

Looking forward, the project is likely to meet the same restrictions during the next quarter, as security operations are likely to be lengthy and drawn out across the country. The resolve and determination of the terrorist group, and the continuation of the security situation, will most likely ensure that project expatriate staff will remain reliant on security providers in meeting much of the project requirements.

REPORT ANNEXES

ANNEX A: Status of GSP Activities

Table 1:Task Force (TF) and Sectoral Subcommittees (SCs) Formation and Capacity Building (New Added Provinces)																								
	Anbar			Ninewa			Salah ad Din			Kabala			Maysan			Muthanna			Dhi Qar			Basrah		
TF Orientation	C			C			C			C			C			C			C			C		
TF Capacity Building	IP			C			IP			C			C			C			C			C		
Directorates	M	H	E	M	H	E	M	H	E	M	H	E	M	H	E	M	H	E	M	H	E	M	H	E
Sub-Comm. Formation	C	C	C	C	C	C	IP	IP	IP	C	C	C	C	C	C	C	C	C	C	C	C			
Sub-Comm. Orientation				C	C	C				C	C	C	C	C	C	C	C	C	C	C	C			
Capacity Build				C	C	C				C	C	C	C	C	C	C	C	C	C	C	C			

C: Completed   IP: In Progress   M: Municipality   H: Health   E: Education

Table 2: Decentralization Plans Development (New Added Provinces)								
	Anbar	Ninewa	Salah ad Din	Kabala	Maysan	Muthanna	Dhi Qar	Basrah
Reviewing DMAT analysis by *GSP/Taqadum* and seven targeted provinces		C		IP		IP		
DMAT results and findings presented to TF and SCs		C		IP		IP		

C: Completed   IP: In Progress

Table 3: SDIP Implementation Status							
	Baghdad	**Wasit**	**Babil**	**Najaf**	**Diwaniya**	**Diyala**	**Kirkuk**
SDIP implementation committee established	√	√	√	√	√	√	√
Service departments trained	√	√	√	√	√	√	√
Short-term solutions tracked	IP	√	IP	√	√	IP	IP
Action plan developed							
Number of short-term solutions implemented	7	13	14	11	14	9	10
Long-term solutions tracked							
Action Plan developed:							
Number of long-term solutions implemented							
Improvement in services measured							
TF and PPDC updated							

√: Activity has been completed   IP: Activity is in progress

Table 4: Service Delivery Activities in Five New Provinces					
Municipality	**Basrah**	**Karbala**	**Maysan**	**Muthanna**	**Dhi Qar**
Service delivery committee (SDC) established		√	√	√	IP
Liaison staff member named by directorate		√	√	√	IP
Action plan adopted			√	√	
SDPS (Service Delivery Performance Standards) adopted			√	√	
SDSP indicators submitted				√	
SDC analyzed service gaps					
Municipality Directorate issued Service Delivery Improvement Plan					
Water	**Basrah**	**Karbala**	**Maysan**	**Muthanna**	**Dhi Qar**
Service delivery committee (SDC) established		√	√	√	√
Liaison staff member named by directorate		√	√	√	IP
SDPS adopted			√	√	
SDSP indicators submitted					
SDC analyzed service gaps					
Water Directorate issued SD Improvement Plan					

√: Activity has been completed   IP: Activity is in progress

Sewage	Basrah	Karbala	Maysan	Muthanna	Dhi Qar
Service delivery committee (SDC) established		√	√	√	IP
Liaison staff member named by directorate		√	√	√	IP
SDPS adopted			√	√	
SDSP indicators submitted				√	
SDC analyzed service Gaps					
Sewage Directorate issued Service Delivery Improvement Plan					
Education	**Basrah**	**Karbala**	**Maysan**	**Muthanna**	**Dhi Qar**
Service delivery committee (SDC) established		√	√	√	√
Liaison staff member named by directorate		√	√	√	IP
SDPS adopted		√	√	√	
SDSP indicators submitted		√	IP	√	
SDC analyzed service gaps					
Education Directorate issued Service Delivery Improvement Plan					
Health	**Basrah**	**Karbala**	**Maysan**	**Muthanna**	**Dhi Qar**
Service delivery committee (SDC) established		√	√	√	√
Liaison staff member named by directorate		√	√	√	IP
Action plan adopted					
SDPS adopted		IP	√		
SDC indicators submitted				√	
SDC analyzed service gaps					
Health Directorate issued SD Improvement Plan					

√: Activity has been completed   IP: Activity is in progress

Annex B: Performance indicators

Note: *Next quarter, performance indicators will be reported based on a new PMP (pending approval) covering the period through September 30, 2016*

Indicator	Description	Reporting Frequency	Y4 Target	Y4 Q3 Actual	Year-to-date	Year-to-date Variance	Variance / Notes
1	Number of Decentralization Action Plans Developed and Submitted to HCCP	Semi- Annually	21	21	21	0	• Last quarter, the ICI plans were completed including the targeted ministries of Health, Education, and Municipalities in each of the 7 target provinces. • During this quarter, the seven GOs have submitted to HCCP through MOSGA, Secretary General of HCCP.
2	Number of Provincial Local Administration Structures to Manage Decentralization Defined	Semi- Annually	7	7	7	0	• The target of this indicator has been met in Y4 Q2 as each of the 7 target provinces has come out with a developed organization structure with roles and responsibilities including functional description of each of the entities within the structure. • The new Org Charts define a local administration structure that allows Governor's Offices to perform their responsibilities under amended Law 21 to oversee and manage decentralized Health, Education, and Municipality and Public Works directorates
3	Number of Provincial Staff that Participated in Capacity Building on Decentralization	Quarterly	210	358	1100	890	• Very high positive variance is due to the expansion of areas of operations (new eight provinces: five southern plus three of ISIS fight) while the modified target is set in the new PMP to be submitted to USAID for approval. • Participants are counted only once since decentralization
			168	289	858	690	

Indicator	Description	Reporting Frequency	Y4 Target	Y4 Q3 Actual	Year-to-date	Year-to-date Variance	Variance / Notes
			42	69	242	200	activities have been launched in Y3Q3
4	Number of Service Delivery Improvement (SDI) Plans Drafted	Semi- Annually	35	37	37	2	• This target has already been met during Y4 Q2, the five sectors of water, sewer, municipality, health and education of each of the seven target provinces have developed a specific SDI Plan. • The positive variance was because of targeting three education directorates in Baghdad rather than one. The three targeted education directorates are Karkh 2nd, Karkh 3rd, and Rusafa 2nd.
5	Number of Provincial Sectorial Performance Standards Developed with Line Ministries to Address Service Delivery Issues	Semi- Annually	17	17	17	0	The target of this indicator has already been met in Y4 Q2 as the seven target provinces met all set thresholds of: • The target province established an ESDO unit or workgroup • Performance standards for health and education (in 7 provinces) in addition to municipality, sewage, and water for Baghdad only; one field test conducted for the said services above. • A written report related to the findings of the field tests and recommendations for improvement issued.

Indicator	Description	Reporting Frequency	Y4 Target	Y4 Q3 Actual	Year-to-date	Year-to-date Variance	Variance / Notes
6	Number of Sub-national Entities Receiving GSP/Taqadum Assistance that Improve their Performance	Quarterly	90	251	600	510	• Very high positive variance is due to the expansion of areas of operations (new eight provinces: five southern plus three of ISIS fight) while the modified target is set in the new PMP to be submitted to USAID for approval. • Entities are counted only once since decentralization activities have been launched for the whole LOP

ANNEX C: Staffing – Long term Support and Professional Staff

Name	Job Title	Component	Firm	Employment Type	Start Date	End Date
Abdulbasit Mahmood Hamad	Provincial Coordinator	Program	Chemonics (IDS)	Long-Term	7-Jun-15	
Raheem Hussein Mousa Al-Behadili	Provincial Coordinator	Program	Chemonics (IDS)	Long-Term	1-Jun-15	
Kamal Mohammed Ali	Project Specialist - Service Delivery	Program	Chemonics (IDS)	Long-Term	1-Jun-15	
Iman Kareem Jasim Al-Maliki	Project Specialist- Organizational Development	Program	Chemonics (IDS)	Long-Term	1-Jun-15	
Hayder Ali Abd Abolttayef	Provincial Coordinator	Program	Chemonics (IDS)	Long-Term	1-Jun-15	
Raad Khalaf Abdulkareem Al-Baheli	Project Specialist- Organizational Development	Program	Chemonics (IDS)	Long-Term	1-Jun-15	
Hussein Jasim Mohammed	Capacity Development Specialist	Program	Chemonics (IDS)	Long-Term	1-Jun-15	
Sarmad Ghazi Mohammed Al-Shawi	Provincial Coordinator	Program	Chemonics (IDS)	Long-Term	1-Jun-15	
Mohammed Jumaah Kareem AlKnzawe	Provincial Coordinator	Program	Chemonics (IDS)	Long-Term	1-Jun-15	
Ayad Hussein Nbaat	Provincial Coordinator	Program	Chemonics (IDS)	Long-Term	7-Jun-15	
Suha Ahmad Mohammad Jwad	Project Specialist - Budgeting	Program	Chemonics (IDS)	Long-Term	16-Jun-15	
Haider Abid Hassani Al-Saiedi	Project Specialist - Service Delivery	Program	Chemonics (IDS)	Long-Term	21-Jun-15	
Jaafar Shareef Neamah	Senior National Capacity Development Specialist	Program	Chemonics (IDS)	Long-Term	28-Jun-15	
Fatin Matti Dohoka	Office and Operations Manager	OPS	Chemonics (IDS)	Long-Term	17-Jun-15	
Ali Hussein Abed Janabi	Project Specialist - Service Delivery	Program	Chemonics (IDS)	Long-Term		30-Apr-15
Farooq Fouad Michael Goriyoka	Senior Capacity Development Specialist	Program	Chemonics (IDS)	Long-Term		7-Jun-15
Anan Ablahad Dawood	HR Director	Admin.	Chemonics (IDS)	Long-Term		30-Jun-15

Short-term Technical Assistance

Name	Component	SOW Activity	Firm	Employment Type	Arrival Date	Departure Date
Osama Mahmoud	Program	Process Mapping Advisor	Chemonics (HO)	Short-Term	24-Jun-15	

ANNEX D: Completed and Ongoing Procurement

The modification to the new phase was signed on May 22, 2015, extending the project through September 30, 2016.

Completed and Ongoing Procurement (Baghdad)

Procurement Activity	Achievements and Status
Extending Blanket Purchase Agreement GSP-BPA-12-01	The Extending Blanket purchase agreement GSP-BPA-12-01, Cash delivery service was signed with Pilot Forge in Exchange Co. Extension time, Modify the cash delivery. Modify the cost - From May 1, 2015 till Dec. 31, 2015 Status: in Process
Extending Blanket Purchase Agreement GSP-BPA-12-07	The Extending Blanket purchase agreement GSP-BPA-12-07, On-Demand Editing & Translation Services, was signed with Akad Translating Center. Extension time - MOD# 6 (One month) - From May 1, 2015 till May 31, 2015. Extension time - MOD# 7 extend from June 1, 2015 till Dec. 31, 2015 Status: in Process
Extending Blanket Purchase Agreement GSP-BPA-13-09	The Extending Blanket purchase agreement GSP-BPA-13-09, Hotel Services were signed with Al-Remal Hotel Extension time - MOD#5 (One month) - From May 1, 2015 till May 31, 2015 Extension time - MOD#6 - extend - From June 1, 2015 till Dec. 31, 2015 Status: in Process
Extending Blanket Purchase Agreement GSP-BPA-13-12	The Extending Blanket purchase agreement GSP-BPA-13-12, Hotel Services was signed with Baghdad Hotel. Extension time - MOD# 6 (One month) - From May 1, 2015 till May 31, 2015 Extension time - MOD# 7 extend - From June 1, 2015 till Dec. 31, 2015 Status: in Process
Extending Blanket Purchase Agreement GSP-BPA-13-15	The Extending Blanket purchase agreement GSP-BPA-13-1215, Printing and design services were signed with Dan for printing. Extension time - MOD# 6 (One Month) - From May 1, 2015 till May 31, 2015 Extension time - MOD# 7- extend - From June 1, 2015 till Dec. 31, 2015 Status: in Process

Blanket Purchase Agreement GSP-BPA-14-17	The Extending Blanket purchase agreement GSP-BPA-14-17, HP cartridges services were signed with Jannat Al-Farah Co. Extension time - MOD# 3 (One month) - From May 1, 2015 till May 31, 2015 Extension time - MOD# 4- extend from June 1, 2015 till Dec. 31, 2015 Status: in Process
Blanket Purchase Agreement GSP-BPA-14-18	The Extending Blanket purchase agreement GSP-BPA-14-18, Stationary services were signed with Dar Al -Meezan Co. Extension time – MOD# 3 (One month) - From May 1, 2015 till May 31, 2015 Extension time – MOD #4 From June 1, 2015 till Dec. 31, 2015 Status: in Process
Services Agreement – Driver GSP-SA-001	Transportation Services- Signed on June 25, 2012 with Mr. Emad Mohammad Ali. Extension time - (One month) - From May 1, 2015 till May 31, 2015 Extension time and change Fixed rate for Daily transportation-extend from June 1, 2015 till Dec. 31, 2015 Status: in Process
Services Agreement – Site Keeper GSP-SA-007- Location: Hila Hub All the original documents in Baghdad office.	Site Keeper- Signed on Oct. 18, 2012 with Mr. Ali Hussein Abo Sood Kerkoosh. Extension time: (Eight Months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Services Agreement – Generator Operator GSP-SA-008- Location: Hila Hub All the original documents in Baghdad office.	Generator Operator- Signed on Oct. 18, 2012 with Mr. Jawdet Ghalib Sajit Al- Murshidy. Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Services Agreement – Site Keeper GSP-SA-009- Location: Hila Hub All the original documents in Baghdad office.	Site Keeper- Signed on Oct. 18, 2012 with Mr. Ahmed Saleem Abid Al-Shukry. Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Services Agreement – General Service Assistant GSP-SA-010- Location: Hila Hub All the original documents in Baghdad office.	General Service Assistant Signed on Oct. 1, 2012 with Mr. Haider Nadhum Mohammed Al-Shamoony Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Services Agreement – General Service Assistant. GSP-SA-011- Location: Hila Hub All the original documents in Baghdad office.	General Service Assistant. Signed on Oct. 1, 2012 with Mr. Basheer AbdulZehra Hasan Al-Khafaji. Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Services Agreement – Generator Operator GSP-SA-012- Location: Hila Hub All the original documents in Baghdad office.	Generator Operator- Signed on Oct. 1, 2012 with Mr. Ahmed Falah Hasan Abo Zerra. Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process

Services Agreement – Legal Services GSP-SA-013-	Legal Services- Signed on Nov. 14, 2012 with Dar Salam Legal and Translation Consultancy, LLC. Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Services Agreement – Driver GSP-SA-014-	Transportation Services- Signed on Nov. 14, 2012 with Mr. Haider Abdul Redia Extension time: (Seven months) From May 1, 2015 till Nov.15, 2015 Status: in Process
Fixed Price services agreement- communication GSP-SA-13-16	Telecommunication Services- Signed on March 1, 2013 with FastIraq . Extension time - (one month) - From May 1, 2015 till May 31, 2015 Extension time: Extend the period of agreement and reduce the price of the (Mega). (Eight months) From June 1, 2015 till Dec. 31, 2015 Status: in Process
Services agreement- Transportation GSP-SA-15 -69	Transportation Services- signed on Mar. 11, 2015 with Mr. Laith Hilan Fahad. Extension time: (eight months) From May 1, 2015 till Dec. 31, 2015
Fixed Price services agreement GSP-FPSA-15-71	Escort and IZ badge Services-Independent Consultant to obtain seven IZ badge to Taqadum management staff. Was signed with Mr. Mohammed Ali Hassien. Status: in Process
Workshop Meeting with Salah AlDin first deputy of governor. Baghdad office – Al Qadsiya June 2, 2015	GSP/ Taqadum procured Lodging in Baghdad Hotel for , Two GSP technical team and training halls, stationary, and tea breaks for attendees. Status: Completed
Meeting with Baghdad PC chairman Dr. Riyadh Al Adhadh and his deputy and PC member. Baghdad office – Al Qadsiya June 2, 2015	GSP/ Taqadum procured training halls in Baghdad Office, stationery, and Dinner Status: Completed
Workshop- Work and Action Plan Development. Held Workshop in Erbil June 11, 2015 – June 14, 2015	GSP/ Taqadum Baghdad Office procured the ticket to the GSP Staff and participants Status: Completed

Completed and Ongoing Procurement (Hilla Hub)

Procurement Activity (Hilla Hub)	Achievements and Status
Blanket Purchase Agreement GSP-BPA-H-017	New Blanket purchase agreement GSP-BPA-H-017 Al-Taif Company to provide Internet services to Wasit embedded office Status: in Process
Extending Blanket Purchase Agreement GSP-BPA-H-016	The Extending Blanket purchase agreement GSP-BPA-H-0016 Hassanian Tech. Shop to provide Internet to Babil Embedded office Status: in Process

Blanket Purchase Agreement GSP-BPA-H-018	New Blanket purchase agreement GSP-BPA-H-018 Smart Office for Internet and Computers to provide Internet line to Najaf Office Status: in Process
Extending Blanket Purchase Agreement GSP-BPA-H-012	The Extending Blanket purchase agreement GSP-BPA-H-0012 Hassan net Group to provide Internet to Hilla main office Status: in Process
Extending Blanket Purchase Agreement GSP-004	The Extending Blanket purchase agreement GSP-004 Al-Sakr Al-Araby office tp provide Hilla main office with fuel Status: in Process

Completed and Ongoing Procurement (Erbil)

Procurement Activity (	Achievements and Status
Blanket Purchase Agreement BPA-GSP-ERB-15-002	This agreement is for the as-needed to provide accommodation, break, lunch, dinner and hall Services from Van Royal Hotel from an 1, 2015 to Apr. 13, 2015 Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Blanket Purchase Agreement BPA-GSP-ERB-15-003	This agreement is for the as-needed to provide accommodation, break, lunch, dinner and hall Services from Sky Erbil Hotel from Jan. 30, 2015 to Apr. 30, 2015 Extension time: (Eight months) From 0May 1, 2015 till Dec. 31, 2015 Status: in Process
Blanket Purchase Agreement BPA-GSP-ERB-15-004	This agreement is for the as-needed to provide accommodation, break, lunch, dinner and hall Services from Quartz Hotel from Jan. 1, 2015 to Apr. 30, 2015 Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Blanket Purchase Agreement BPA-GSP-ERB-15-005	This agreement is for the as-needed to provide accommodation, break, lunch, dinner and hall Services from Canyon Hotel from 1 Jan. to 30 Apr. 2015 Extension time: (Eight months) From May 1, 2015 till Dec. 31, 2015 Status: in Process
Blanket Purchase Agreement BPA-GSP-ERB-15-006	This agreement is for the as-needed to provide accommodation, break, lunch, dinner and hall Services from Nobel Hotel from 1 Jan. to 30 Apr. 2015 Extension time: (Eight months) From 0May 1, 2015 till Dec.,31st ,2015 Status: in Process
Lease Agreement BPA-GSP-ERB-15-007	This agreement is for the as-needed to provide Rent Office Erbil center and accommodation to EXPATs from Sky Erbil Hotel from 1 Jan. to 30 Apr. 2015 Extension time: (Four Months) From 01,May 2015 till Aug.,31st ,2015 Status: in Process
GSP-FPSA-ERB-14-004	Lawyer services to extending the visa for EXPATs was signed with Ms. Zaman Ali Abdulnabi Status: Completed
GSP-FPSA-ERB-14-005	Lawyer services to extending the visa for EXPATs was signed with Ms. Zaman Ali Abdulnabi Status: Completed
GSP-FPSA-ERB-14-006	Transportation Services- Signed on June 7, 2015 with Mr. Baher Azeez Asmaeel Status: in Process

GSP-FPSA-ERB-14-007	Lawyer services to extending the visa for EXPATs was signed with Ms. Zaman Ali Abdulnabi Status: Completed

Anticipated Major Procurements for FY -2015- Q4
• Stationery and materials for GSP/ Taqadum activities. • Printing Taqadum legacy reports, brochures and manuals for all partner provinces.

ANNEX E: Cost Sharing

Project Activity Cost Share (PACS) records all resources mobilized by the GO/GOI to design, review, and engage the Taqadum project. PACS is provided on a quarterly basis. The PACS could comprise office space, conference or training facilities, transportation, service/ utility (electricity for embedded offices), and time spent by GO/GOI (labor in-kind contribution) to:

- Allocate embedded office space in GO/GOI as evidenced by letters of authorization and/or pictures of embedded offices.
- Undertake an activity (training, technical assistance, conference, workshop, or meeting). This is documented by Taqadum activity reports.
- Implement and execute the agreed activity in the work plan as evidenced in Taqadum activity reports and/or supporting material of the concerned activity.
- Allocate or rent temporary conference and training facility and services. This is documented by an event cost share form, attendance sheets, and by a completed event evaluation form.

Cost Sharing after Jun 30 2014 and the Extension through June 30 2015

Province	Activity Cost Sharing Only Y3 Q4	Activity Cost Sharing Only Y4 Q1	Activity Cost Sharing Only Y4 Q2	Activity Cost Sharing Only Y4 Q3	Total
Anbar	-	-	-	$ 82	$ 82
Babil	$ 15,286	$ 37,912	$ 28,931	$ 10,305	$ 92,434
Baghdad	$ 62,912	$ 26,864	$ 72,048	$ 47,495	$ 209,319
Basrah	-	-	-	$ 12,708	$ 12,708
DhiQar	-	-	-	$ 7,641	$ 7,641
Diwaniyah	$ 29,803	$ 34,264	$ 36,785	$ 12,755	$ 113,607
Diyala	$ 1,556	$ 34,051	$ 30,505	$ 10,215	$ 76,327
Karbala	-	-	-	$ 15,956	$ 15,956
Kirkuk	-	$ 28,246	$ 31,122	$ 10,341	$ 69,709
Maysan	-	-	-	$ 21,001	$ 21,001
Muthanna	-	-	-	$ 18,152	$ 18,152
Najaf	$ 32,226	$ 45,562	$ 47,281	$ 17,694	$ 142,763
Ninawa	-	-	-	$ 18,255	$ 18,255
Salah Ad Din	-	-	-	$ 756	$ 756
Wasit	$ 35,278	$ 15,500	$ 40,579	$ 15,836	$ 107,193
Total	**$ 177,062**	**$ 222,399**	**$ 246,672**	**$219,192**	**$ 905,903**